

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Miller Post Office
Miller, Nebraska 68858

Docket No. A2012-73

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 10, 2012)

On November 16, 2011, the Postal Regulatory Commission (Commission) received a petition for review postmarked November 16, 2011, from postal customer Teresa Saathoff (Petitioner), objecting to the discontinuance of the Post Office at Miller, Nebraska. On December 1, 2011, the Commission issued Order No. 1017, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Postal Service filed the administrative record with the Commission on December 1, 2011. The Petitioner filed Form 61, Participant Statement in support of her appeal on December 23, 2011. The following is the Postal Service's answering brief in support of its decision to discontinue the Miller Post Office.

The appeal received by the Commission raises the issue of the impact on postal services expected to result from discontinuing the Miller Post Office and economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Additionally, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave

¹ See 39 U.S.C. 404(d)(2)(A).

consideration to a number of other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Miller Post Office should be affirmed.

Background

The Final Determination to Close the Miller, Nebraska Post Office and Establish Service by Rural Route Service (FD), as well as the administrative record, indicate that the Miller Post Office provides EAS-55 level service to 62 Post Office Box or general delivery customers, 75 delivery customers, and retail customers 25 hours per week.

Item No. 41, Proposal, at 2; item 15, Post Office Survey Sheet, at 1.² The postmaster of the Miller Post Office retired on March 20, 2003. A noncareer employee has been installed as the temporary officer-in-charge (OIC)³ to operate the office. Upon implementation of the Final Determination, the noncareer OIC may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility.⁴ The average number of daily retail window transactions at the Miller Post Office is 6, accounting for 6 minutes of retail work daily. Revenue has generally been declining: \$15,041.00 in FY 2008 (39 revenue units); \$14,068.00 in FY 2009 (37 revenue units); and \$10,277.00 in FY 2010 (27 revenue units).⁵ The Miller Post Office has no meter or permit customers. FD at 2; Item No. 18, Form 4920, at 1; Item No. 41, Proposal, at 2.

² In these comments, specific items in the administrative record are referred to as "Item ____."

³ FD, at 2.

⁴ FD, at 14.

⁵ FD, at 2; Item No. 18, Form 4920, Post Office Closing or Consolidation Proposal - Fact Sheet, at 1; Item No. 41, Proposal, at 2.

Upon implementation of the Final Determination, delivery and retail services will be provided by rural route delivery administered by the Amherst⁶ Post Office, an EAS-13 level office, which has 22 available Post Office Boxes and is located nine miles away. Retail service is also available at the Sumner⁷ Post Office, an EAS-11 level office, located seven miles away. There are 46 Post Office Boxes available for rent. FD at 2; Item No. 18, Form 4920, at 1.

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Miller Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Miller Post Office. Questionnaires were also available over the counter for retail customers at Miller. FD at 2; Item No. 20, Questionnaire Instruction Letter to Postmaster/OIC at Miller Post Office, at 1. A letter from the Manager, Post Office Operations, Omaha, Nebraska, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Miller Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services by the Amherst Post

⁶ The Amherst Post Office is not included in the facilities listed in the Postal Service's Retail Access Optimization (RAO) Initiative. See PRC Docket No. N2011-1.

⁷ The Sumner Post Office is included in the facilities listed in the Postal Service's Retail Access Optimization (RAO) Initiative. See PRC Docket No. N2011-1. The fact that the Sumner Post Office is part of the RAO Initiative has no impact on this appeal proceeding because (1) the statute governing this appeal proceeding, 39 U.S.C. § 404(d), limits the Commission's review to facts contained in the administrative record, and (2) there has been no change yet in operations at the Sumner Post Office. The impact of potential discontinuance of the Sumner Post Office on postal services offered to Miller residents would, of course, be considered should the feasibility study of the Sumner Post Office advance further.

Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. Also, representatives from the Postal Service were available at the Miller Community Building for a community meeting on June 16, 2011,⁸ to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 41, Proposal, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Miller, Sumner and Amherst Post Offices from July 26, 2011 to September 26, 2011. FD, at 2. The FD was posted at the Miller, Amherst and Sumner Post Offices starting on November 3, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.

In light of the postmaster vacancy, minimal workload, declining office revenue,⁹ the variety of delivery and retail options (including the convenience of rural delivery and retail service),¹⁰ very little recent growth in the area,¹¹ minimal impact upon the community, and the expected financial savings,¹² the Postal Service issued the FD.¹³ Regular and effective postal services will continue to be provided to the Miller

⁸ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

⁹ See note 5 and accompanying text,

¹⁰ FD, at 2; Item No. 41, Proposal, at 2.

¹¹ Item No. 16, Community Survey Sheet.

¹² FD, at 13; Item No. 29, Proposal Checklist at 2; Item No. 41, Proposal, at 14.

¹³ FD, at 2-14.

community in a cost-effective manner upon implementation of the Final Determination. FD at 2.

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Miller Post Office on postal services provided to Miller customers. The closing is premised upon providing regular and effective postal services to Miller customers.

The Petitioner, in her letter of appeal, raises the issue of the effect on postal services of the Miller Post Office's closing, noting the convenience of the Miller Post Office and requesting its retention. Further, Petitioner in this appeal expresses concerns about the collection of packages and mail security. Each of these concerns was considered by the Postal Service in the course of the discontinuance process.

The effect of closing of the Miller Post Office on the availability of postal services to Miller residents was considered extensively by the Postal Service. FD at 2-14; Item No. 41, Proposal, at 2-14. Upon the implementation of the Final Determination, services provided at the Post Office, such as the sale of stamps, envelopes, postal cards, and money orders, will also be available from the carrier to a roadside mailbox located close to customers' residences. FD at 2-12; Item No. 41, Proposal, at 2-13; Item No. 21, Notice to Customers.

Petitioner raises the issue of the effect on postal services of the Miller Post Office's closing, noting that in the spring when baby calves are sick, the Veterinary Clinic sends tissue samples for testing to the University of Nebraska Lincoln Veterinary Diagnostic laboratories. Those tissues are best sent fresh, so it is the practice of the clinic to obtain and send those samples as late in the day as possible. This concern was considered in the record. Specifically, in response to the questionnaire, appearing immediately before Item 22 at 32, Dr. Saathoff stated that the Veterinary Clinic mails parcels and uses Express Mail service on a weekly basis. As noted on the Survey of Dispatched Mail Item No. 12 at 1, however, daily volumes dispatched from the Miller Post Office include only 0.3 parcel, which is relatively low activity that may be more efficiently handled through the provision of carrier service. In sum, the Postal Service balanced the particular concern at issue here with other considerations.

Petitioner also expresses concern about the collection box located at the Post Office. The record indicates, however, that the collection box will be retained and mail deposited there will continue to be picked up Monday through Saturday, thereby providing mail collection in addition to that performed by the carriers for any outgoing mail Item 23 at 2; Item 41 at 3; and FD at 3.

With respect to the Petitioners' concerns about mail security, the Postal Service sent the Buffalo County Sheriff a questionnaire concerning mail theft and vandalism in the suspended Post Office area. Their records indicate that there has not been any recent or significant prior activity of mail theft or vandalism Item No. 14 at 2.

The record further explains that carrier service is beneficial to many senior citizens and those who face special challenges because they do not have to travel to the Post Office for service. FD at 3 and 5. When packages do not fit in the customers' mail box, the carrier will deliver the package up to ½ mile off the line of travel, at a designated place, such as the customer's porch or under carport. FD at 2. In hardship cases, delivery can be made to the home of a customer. FD at 3, 4 and 5.

Petitioner questions the consistency of this proposal with provisions in Title 39. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a Post Office must consider whether such closing is consistent with the policy that the Postal Service provide "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining." The Postal Service's view is that the "maximum degree" obligation in section 101(b) must be read in the context of related statutory provisions. It is a directive to recognize that special consideration must be given to the greater likelihood of dependence on postal retail facilities for access to postal products and services in rural communities and small towns; however, this concern must be balanced with Congressional mandates that the Postal Service execute its mission efficiently and economically. See sections 101(a); 403(a), (b)(1) and (b)(3); 404(d)(2) and 3661(a). Here, the Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided with rural delivery service in the absence of the Post Office, and the answer was affirmative.

In sum, the Postal Service has considered the impact of closing the Miller Post Office upon the provision of postal services to Miller customers. A highway contract or rural delivery carrier can provide similar access to retail service, alleviating the need to travel to the Post Office. FD at 3 and 6; Item No. 23, Postal Customer Questionnaire Analysis; Item No. 25, Community Meeting Analysis; Item No. 41, Proposal, at 2 and 4. PO Box service will still be available at the nearby Amherst Post Office and Sumner Post Office. FD at 2; Item No. 41, Proposal, at 2. Thus, the Postal Service has properly concluded that all Miller customers will continue to receive regular and effective service.

Effect Upon the Miller Community

The Postal Service is obligated to consider the effect of its decision to close the Miller Post Office upon the Miller community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Miller is an unincorporated community located in Buffalo County. The community is administered politically by the Village Board. Police protection is provided by the Buffalo County Sheriff Department and fire protection is provided by the Volunteer Fire Department. The community is comprised of farms and agricultural related businesses, those who commute to work at nearby communities and may work in local businesses. FD, at 8; Item No. 41, Proposal at 9. The questionnaires completed by Miller customers indicate that, in general, the commuters, and others who reside in Miller must travel

elsewhere for other supplies and services. See generally Item No. 22, Returned customer questionnaires and Postal Service responses.

The Petitioner raises the issue of the effect of the closing of the Miller Post Office upon the Miller community. This issue also was considered by the Postal Service, as reflected in the administrative record. FD, at 8; Item No. 41, Proposal, at 9.

Communities generally require regular and effective postal services and these will continue to be provided to the Miller community. The Postal Service is helping to preserve community identity by continuing the use of the Miller Post Office name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. FD, at 11 and 12; Item No. 41, Proposal, at 9 and 12.

In addition, the Postal Service has concluded that nonpostal services provided by the Miller Post Office can be provided by the administrative Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 9-12; Item No. 41, Proposal, at 9-13.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Miller Post Office on the community served by the Miller Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Miller Post Office and would still provide regular

and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Miller Post Office are \$35,585.00. FD at 13; Item No. 41, Proposal, at 14.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 14; Item No. 41, Proposal, at 14.

The Postal Service determined that carrier service is more cost-effective than maintaining the Miller postal facility and postmaster position. FD, at 14. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The Miller postmaster position became vacant when the postmaster retired on March 20, 2003. However, upon implementation of the Final Determination, the noncareer postmaster relief (PMR) may be separated from the Postal Service; however attempts will be made to reassign the employee to a nearby facility. The record shows that no other employee would be adversely affected by this closing. FD, at 14; Item No. 41 at 14. Therefore, in making the determination, the Postal Service considered the effect of

the closing on the employees at the Miller Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Miller Post Office on the provision of postal services and on the Miller community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Miller customers. FD, at 14. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Miller Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Miller Post Office be affirmed.

Respectfully submitted,

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